

## Status of Audit Resolution

December 2001

Agency: 405

### Department of Transportation

Audit Number	Finding Number
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6185	1	Assertion:	The Chief Naval Architect and a Mechanical Engineer at the Washington State Ferries Division of the Washington State Department of Transportation used state-owned equipment for personal benefit.
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Resolution/Status: The Department of Transportation concurs with this assertion and has taken the following corrective action:

- ☞ Sent the two employees and their supervisor to ethics training,
- ☞ Reaffirmed the practice of not allowing employees to use state-owned equipment for personal purposes,
- ☞ Established new procedures addressing outside employment. Earlier this year, the Transportation Commission appointed a Standards Review Team to examine a number of areas concerning ethics. The Team's report to the Commission and the Governor included a description of a new process for monitoring employees' outside employment, and
- ☞ Implemented a new procedure where each employee, including managers, at the time of their annual performance review, is queried as to any involvement with outside business interests. If there is such an interest, the reviewing manager ascertains if a conflict exists with the employee's official duties. Should such a conflict exist, action is taken to eliminate the conflict. The form used in this process is filed in the employee's personnel file.

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Audit Number	Finding Number
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6220	1	Finding:	The Department of Transportation's Washington State Ferries Division does not have adequate controls over sales and revenue collection.
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Resolution/Status: The Department of Transportation partially concurs with this repeat finding. The Department of Transportation Washington State Ferries Division (WSF) is taking the following corrective action:

- ⌘ Examining methods of reducing the number of tollbooth cash transactions,
- ⌘ Evaluating options such as an expanded use of credit cards, off-site sales including Internet sales, and use of the Smart Card technology as the Puget Sound Regional Project proceeds towards implementation. These new sales options will be implemented as they are tested and proven to be able to satisfy other internal requirements WSF must consider,
- ⌘ Monitoring events when the Point of Sale system is inoperative, or "off-line." WSF has been performing this monitoring for the last two years. A monthly review of off-line events verifies policy and procedure compliance as well as terminal deposits for reasonableness, and
- ⌘ Developing a manual receipting process for off-line events. A manual receipt would provide documentation of sales transactions to both customer and seller and strengthens controls. The pilot receipt and associated procedures started in September, 2001, after the summer peak season. After successful pilot, system wide implementation is anticipated by January 2002.

WSF has taken the following corrective action:

- ⌘ Developed and implemented "surprise coupon counts" and "cash counts" of sellers and ticket takers to verify accurate count and cancellation of coupons.

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SWSA	13	Finding:	The Department of Transportation is not complying with suspension and debarment requirements for the Federal Transit Metropolitan Planning Grants.
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Resolution/Status: The Department of Transportation concurs with this finding and has taken the following corrective action:

- €# Ensured that Metropolitan Planning agreements negotiated from July 2001 forward contain requirements for obtaining certifications from subrecipients specifying that they have not been suspended or debarred from receiving federal funds.

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